the appointed day in the territories comprised in the State of Sikkim shall continue to be in force therein until amended or repealed. However, Clause (n) of the said Article provides that the President may, by public notification, extend with such restrictions or modifications as he thinks fit to the State of Sikkim any enactment which is in force in a State of India at the date of the notification.

Pursuant to the above Constitutional amendment, the Ministry of Home Affairs issued a notification number S.O.1028(E) dated 7th November, 1988, whereby direct tax laws of India including the Income-tax Act, 1961, the Gift Tax Act, 1958 and the Wealth Tax Act, 1957 were extended to the State of Sikkim with effect from assessment year 1989-90. Further, through the Finance Act, 1989, the effective date of implementation of the direct tax laws to Sikkim was extended to assessment year 1990-91.

(c)to (e) A Memorandum was submitted by the Chief Minister of Sikkim on 17.06.2004 requesting, *inter alia,* expeditious resolution of the impasse on the issues relating to the extension of direct tax laws to the State of Sikkim. A high-powered committee has been set up to resolve the issue. The Committee consists of the representatives of the State of Sikkim as well as the Government of India. The recommendations of the Committee are under formulation, with the last sitting having taken place on 4th March, 2005.

**On Line Tax Assessment System**

†2252. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government at the beginning of this financial year have introduced an On Line Tax Assessment System (OLTAS) for the benefit of tax-payers;

(b) if so, whether Government have received complaints to the effect that the said system has proved faulty and tax chalians submitted by lakhs of tax-payers under the system have not been registered in the accounts of tax-payers;

(c) if so, whether any enquiry has been conducted in this regard; and

†Original notice of the question was received in Hindi.

(d) the details of action taken against the persons found guilty in the said enquiry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALAN1MANICKAM): (a) Yes, Sir. On Line Tax Accounting System (OLTAS) was started from 1st June, 2004.

(b) Instances of data entry errors and uploading of incomplete data by banks, mainly relating to non-quoting of PAN by tax-payers, have come to notice. However, there are sufficient safeguards in the System, such as Challan Identification Number (CIN), to ensure that all tax-payers get credit for taxes paid by them.

(c) and (d) Yes, Sir. Enquiries have been conducted and it was found that the problems mainly related to non-quoting of PAN by tax-payers and uploading of incomplete/incorrect data by banks. With effect from 1.01.2005, it has been made obligatory upon all tax-payers to compulsorily quote PAN/TAN in the tax payment challans. Reserve Bank of India has also issued instructions to all designated banks for timely and correct uploading of complete OLTAS data.

**Cut in incentives to LIC field staff**

2253. SHRI N.K. PREMACHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the benefits like incentive, reimbursement of expenses and conveyance allowance of LIC field staff are being curtailed;

(b) whether the market share of LIC has come down due to the unrest among the field staff;

(c) whether there is any proposal to review the decision of curtailment of benefits due to the field staff; and

(d) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Life Insurance Corporation of India (LIC) has introduced a new Growth-Oriented Incentive Bonus Scheme, 2004 for Development Officers by way of the merger of the Incentive Bonus Scheme, Additional Conveyance Allowance Scheme and Reimbursement of